GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3533
ANSWERED ON:04.08.2014
HEAVY ENGINEERING CORPORATION LIMITED
Singh Shri Sunil Kumar

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a)the financial status of the Heavy Engineering Corporation Limited (HECL) along with the details of its loss and profit during each of the last three years;

(b)the details of production capacity of HECL and the advance order received for production at present;

(c)whether the Government is aware that HECL is yet to release salary to its employees for the last few months and if so, the total amount of salaries of HECL employees yet to be released along with the total number of its employees; and

(d) the time by which it is likely to be released?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI PON. RADHAKRISHNAN)

(a) Company is earning net profit since 2006-07. However, company since last two years is facing acute working capital problem due to orders having longer production cycle and payment for dispatched items linked to complete supply and commission. Profit during last three years are as under :

Year	Rs. (in Crore)
2010-11	38.14
2011-12	8.58
2012-13	20.38

During 2013-14, with the impact of transfer of assets to Govt. of Jharkhand, Company booked net profit of Rs.299.31 crore.

(b) HEC has informed that product range of HEC includes steels producing equipment/facilities for steel sector, Cranes for Steel & Engineering Sectors, Excavators for mining sector, medium/heavy capacity Machine Tools for various customers and medium/heavy Castings/forgings required by steel, engineering and defence sectors. Ageing of the equipment and limited product range has affected the volume of production. Company as on 30-6-2014 has orders worth Rs.1494.99 crore.

(c) & (d) HEC has informed that in spite of financial crunch, company has been paying salary on the month due, though there are delays for few days. Salary of June -14 for all the employees due on 1st July-14 was paid on 2nd July-14.